

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7969

BILL NUMBER: SB 625

NOTE PREPARED: Jan 16, 2005

BILL AMENDED:

SUBJECT: Sunset of Boards and Commissions.

FIRST AUTHOR: Sen. Clark

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (1) This bill terminates most statutory boards and commissions, and numerous other governmental entities on July 1, 2006. The bill also permits the Governor, by executive order, to extend the life of a board, commission, or other entity based on the recommendation of the Government Efficiency Commission (GEC). The bill directs the Legislative Services Agency, under the direction of the Legislative Council, to prepare legislation to bring affected statutes into compliance with this act.

(2) It reestablishes the Government Efficiency Study Commission (which expired January 1, 2005) until December 31, 2006, and directs the Commission to make recommendations to the Governor and the General Assembly concerning the advisability of continuing or modifying a board or commission that would otherwise expire.

Effective Date: Upon passage.

Explanation of State Expenditures: The fiscal impact of this legislation is indeterminable. The possible savings to the state will ultimately depend upon the current expenditures and the number of included entities that are terminated and not extended.

(1) Termination of Boards and Commissions: This bill terminates a total of over 225 statutory boards, commissions, and other governmental entities on July 1, 2006. The bill permits the Governor, by executive order, to extend the life of an entity based on the recommendation of the GEC.

If all of the included entities were terminated and not extended, the immediate savings to the state would be

considerable. Future savings could be diminished by state agencies incurring administrative costs in assuming essential government functions that would remain after terminating some entities.

The bill directs the Legislative Services Agency (LSA), under the direction of the Legislative Council (Council), to prepare legislation to bring affected statutes into compliance with this act. The bill provides that this compliance legislation should be prepared for introduction in the 2006 and 2007 regular sessions of the General Assembly. The administrative cost incurred by the Council and the LSA would be covered through the use of existing staff and resources.

(2) Government Efficiency Study Commission: The Government Efficiency Study Commission (GEC) was created by P.L. 224-2003 to review all state-funded agencies, departments, and programs and to make recommendations to improve efficiency and reduce waste or other unnecessary costs. The Commission consisted of 22 members appointed by the Speaker of the House of Representatives and the Senate President Pro Tempore. There were four subcommittees established in law. The staff advisors to the GEC were the State Budget Director, the Commissioner of the Commission for Higher Education, the Indiana State Board of Education Administrator, and the Executive Director of the Legislative Services Agency. Administrative support was incorporated in the workload of the staff of the Legislative Services Agency and other state agencies. The GEC was required to and has submitted its report before December 31, 2004.

The Commission members were not entitled to salary per diem, but did receive travel reimbursement. Between October 2003 and July 2004, the GEC travel reimbursement totaled \$3,837. Legislative Council contingency funds paid \$3,400 for a contract to complete the report of the Medicaid and Human Services Subcommittee. Private donations to the GEC included reports surveying the state Medicaid Program, the Department of Education, and Higher Education.

Reestablishment: Under the bill, the GEC would be reestablished with two changes:

- (1) The subcommittees would be established by the co-chairpersons, rather than by statute.
- (2) The new report deadline would be December 31, 2006.

It is expected that these changes would not affect the costs for the reestablishment of the GEC. Expenses will be paid from General Fund appropriations to the Legislative Council.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Various boards and commissions identified in the bill; Legislative Council; Legislative Services Agency; Commission for Higher Education; State Board of Education; State Budget Agency.

Local Agencies Affected:

Information Sources:

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